



IRISH LIFE WEEKLY INVESTMENT BULLETIN

The week that was – WEEK 19 (ending 06/05/2016)

" We should seek the greatest value of our action. " – Stephen Hawking

ECB figures show Irish deposit returns are worst in Europe – Figures published by the European Central Bank show Irish savers are earning the lowest return on their deposits across 18 European countries. The average rate for Irish fixed rate household deposits was just 0.18% compared to 1.69% in Holland.

Irish consumer sentiment improved marginally in April – The KBC Bank/ESRI Consumer Sentiment Index rose a little over two points to 102.7 in April, from 100.6 in March after hitting a 15 year high in January. Daniel Foley of the ESRI said that the trend continues to point upward and that confidence is still broadly positive.

Belgium joins Ireland in selling 100-year bond – Belgium has sold a 100-year bond at a yield of 2.3%. The €100m issue is a private placement arranged by primary bond dealers, Goldman Sachs and Nomura. The bond details are very similar to the first ever 100-year bond sold by Ireland on 30th March with a 2.35% yield.

Global stock market down 1.4% during the week – Markets moved lower during the week, reducing further the gains made since February with the Japanese stock market suffering the least of the main markets. The MSCI World Index was down 1.4% from 2nd May to 6th May in local currency terms, with the Nikkei down 0.2%.

U.S. interest rate rise chances reduce as jobs growth slows – Latest data from the Bureau of Labor Statistics show that non-farm payrolls increased by 160,000 in April, a weaker figure than the 200,000 predicted by analysts. This may bolster the case for the Fed to wait beyond June before lifting rates again.

Britain's manufacturing sector drops into contraction territory – Markit's U.K. manufacturing PMI (Purchasing Managers Index), which measures activity across the sector, has dropped to 49.2 in April, down from 50.7 in March. It's the first time since March 2013 that the PMI has fallen below the key 50-point mark.

The Story of the week: London's annual Boring Conference was sold out this year. Attendees at this year's conference in Conway Hall on Saturday were regaled with talks by speakers on East German pedestrian crossing signals, jigsaws, lamp posts and toilet roll quality control codes in a very successful celebration of the mundane.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2011	2012	2013	2014	2015	2016 YTD (to 06/05)
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-10.3
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	-0.3
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-8.9
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	1.4
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	-5.4
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-15.4
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	-0.7
MSCI World	-7.6	13.1	26.2	7.7	0.2	-3.1
Sovereign 10yr Bond Yields (%)	2011	2012	2013	2014	2015	2016 YTD
U.S.	1.9	1.7	3.0	2.2	2.2	1.8
German	1.8	1.4	1.9	0.5	0.6	0.2
UK	2.0	1.9	3.0	1.9	1.9	1.4
Japan	1.0	0.7	0.7	0.3	0.2	-0.1
Ireland	8.4	4.5	3.4	1.3	1.1	0.9
Italy	7.1	4.6	4.1	2.1	1.6	1.5
Greece	31.7	12.7	8.2	9.6	7.9	8.2
Portugal	13.4	6.9	6.1	2.7	2.5	3.3
Spain	5.1	5.4	4.1	1.6	1.7	1.6
Central Bank Rates (%)	2011	2012	2013	2014	2015	2016 YTD
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
Foreign Exchange Rates	2011	2012	2013	2014	2015	2016 YTD
Euro/Dollar (€/\$)	1.30	1.31	1.37	1.21	1.09	1.14
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.79
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.44
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015
Ireland	-2.4	-2.4	3.1	12.7	40.1	25.0 (to end of Q4)
U.K.	14.5	8.1	2.7	10.7	17.8	13.1 (to end of Q4)
U.S.	14.8	14.5	5.3	11.4	11.2	12.1 (to end of Q4)

*Past performance is not a reliable guide to future performance